



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, Utah 84631



In Reply Refer to:
3809
(U-010)
UTU 085881

November 15, 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Penney's Gemstones LLC
PO Box 312
Beaver UT 84713

Dear Mr. Penney

On October 17, 2007 the Fillmore Field Office (FFO) Bureau of Land Management (BLM) received your plan of operations to conduct a mining operations under the surface management regulation 43 CFR § 3809. The material you are interested in mining is normally considered a common variety mineral and subject to sale under the mineral materials disposal regulations 43 CFR § 3600.

According to the surface management regulations when operations are proposed for minerals that may be common variety minerals special provisions apply. §3809.101 (a) states: "Mineral examination report. On mining claims located on or after July 23, 1955, you must not initiate operations for minerals that may be "common variety" minerals, as defined in § 3711.1 (b) of this title, until BLM has prepared a mineral examination report, except as provided in paragraph (b) of this section. The mineral examination report is subject to cost recovery under 43 CFR § 3000.11. The processing fee for the mineral examination must be paid in full by you prior to issuance of the final mineral examination document and if warranted approval of your plan of operations.

The initial review of your plan indicates that the plan is incomplete. In order to complete the review of your plan of operations the BLM will need the following information:

- A detailed description of your proposed mining operation
 1. BLM serial number of the unpatented mining claim
 2. Location of operations
 - Township
 - Range
 - Section
 - Aliquot Part
 3. Detailed description of operations
 4. Maps

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DIV. OF OIL, GAS & MINING


- Access
- Facilities and structures
- Stockpiles (waste, mineral, etc.)
- Mine
- 5. Designs
 - Mine
 - Facilities
 - Stockpiles
- 6. Transportation plans
- 7. Schedule of operations
- 8. Interim management plans (for temporary suspension of mining)
 - Measures to stabilize excavations and workings
 - Storage/removal of equipment, supplies and structures
 - Measures to maintain the area in a clean and safe manner
 - Schedule of anticipated closure
- Reclamation Plan
 - 1. Re-grading and re-shaping
 - 2. Pit backfilling
 - 3. Top soil handling
 - 4. Re-vegetation
 - 5. Reclamation cost estimate

Once the BLM receives this information we will continue with the additional steps required to process your plan of operations. These steps include:

- Completion of environmental review and analysis under the National Environmental Policy Act (NEPA).
- Providing the appropriate public comment period on the NEPA document
- Review of public comment and approval of the plan of operations

Please call Michael Jackson, Geologist, Richfield Field Office, to schedule a meeting to help initiate the processing of the mineral examination report. Mr. Jackson can be reached at (435) 896-1522 and should be available during the week of November 26 through 30. If you have any questions regarding your plan of operations or the information requested in this letter please call Jerry Mansfield, Geologist, Fillmore Field Office at (435) 743-3125.

Sincerely,



Sherry Hirst
Field Manager, Fillmore Field Office

Cc: Tom Munson
Michael Jackson